



Department of Energy
Washington, D. C. 20585

December 17, 2004

MEMORANDUM FOR: Program Office Resource Managers

FROM: Howard G. Borgstrom 
Working Capital Fund Manager

SUBJECT: Revised FY 2006 Projections for Working Capital Fund

This memorandum and its attachments provide updated guidance for the Working Capital Fund components of your FY 2006 Congressional Budget Request. These estimates are based on current Board pricing policies and on developments since our May, 2004 estimates for the Corporate Review Budget, including FY 2004 actual consumption levels. Because of opportunities for customer choice, customer organizations are responsible for developing budgets based on their best understanding of their likely future needs. The estimates provided in the attachments are intended only as guidance based on patterns that have been identified by the Fund business line and financial staff.

Tables are provided for FY 2004 (actual billing), FY 2005, and FY 2006. In all tables, we have included Electronic Services within the Building Occupancy column because they are based on the same pricing algorithms.

Staffing numbers were updated from the May guidance to incorporate actual staffing on board, October 2004, in pricing policy formulae for billing in the Payroll and CHRIS businesses. Program offices are charged for payroll services based on the number of Federal civilian employees at the start of the fiscal year in their headquarters offices and in the field offices that report administratively to their lead Program Secretarial Officer (LPSO), with the exception of NNSA employees who are billed to NNSA. This regimen is being studied by the Board and could be revised, with minimal impact to most programs, prior to FY 2006 execution.

The following are the specific assumptions and data sources used for each business line for these revised estimates.

Supplies (PaperClips): FY 2004 actual billings have been used to project FY 2005 and FY 2006 costs for all organizations.

Mail: The current pricing policy is assumed to stay in effect, with volume levels based on FY 2004 actual patterns. Declining use of mail stops has reduced forecasts of some customer billings in FY 2005

and FY 2006.

Copying Service: Copying estimates reflect current pricing policy and actual FY 2004 billings.

Printing and Graphics: The FY 2005 and FY 2006 Printing and Graphics charges reflect the current pricing policy, which includes billing customers for special order graphics items that are sent to contractors on an actual cost basis.

Building Occupancy: The FY 2005 estimates reflect occupancy agreements that you have signed with the Office of Administration, and the FY 2006 costs assume your continued occupancy of that space. We have not adjusted estimates either for potential consolidations or expansions of your space nor for any building alternations you might decide to undertake.

Telephones: The FY 2005 and FY 2006 estimates include the current phone service pricing policy. This business line also now includes service charges for Cell Phones, Pagers, Electronic devices (blackberries, etc.), and dedicated lines for which you were previously billed by the CIO outside the Fund. The apparent increase is based on assuming twelve months of activity in FY 2005 and FY 2006, versus the nine months of actual billing in FY 2004. Your office will continue to acquire cell phone, pager, and electronic device *equipment* through the CIO through direct citations of your funds outside the WCF; this method for acquiring equipment is already in place for telephones. However, the recurring service contract costs for these new items will be billed through the Fund.

Desktop : Desktop services for FY 2005 and FY 2006 are based on current pricing policies.

Network: The distribution of LAN lines and DOENet connections is assumed to remain constant in FY 2005 and FY 2006 at late FY 2004 levels.

Contract Closeout/Purchase Card Surveillance: Contract Closeout levels for FY 2005 reflect the service agreements your have made with Jeff Rubenstein, who has provided estimates for service levels in FY 2006. The FY 2005 billing distribution for Purchase Card Surveillance is firm, since it was based on actual rebate distribution levels in FY 2004. The distribution of such costs is tied to rebates from the vendor. The FY 2006 distribution is assumed to be constant at the FY 2005 level, but the pricing policy calls for another review of rebate distribution patterns during FY 2005 to support actual billing in FY 2006.

Payroll: Payroll estimates are based on fixed costs of \$1.9 and \$2.1 million for FY 2005 and FY 2006, respectively plus Flexible Spending Account administrative charges of \$150 thousand billed to the Department in FY 2004.

CHRIS: CHRIS charges for FY 2005 and FY 2006 remain at the FY 2004 actual level of \$2.17 million.

Corporate Training Services: For FY 2005 and FY 2006, the Board has expanded the previous On-Line Learning Center (OLC) business line to include fee-for-service training now delivered through the Office of Human Resources Management (ME-50) but paid for by customers on a tuition basis. OLC subscription charges are deferred in FY 2005 and restored in FY 2006 estimates.

Project Management Career Development Program (PMCDP): Estimates for FY 2005 and FY 2006 are fixed at \$1million, each. The costs are distributed to program customers by formulae that take into account both the inventory of projects and the number of project managers subject to certification. The Board has assigned a working group to review this allocation methodology, which might result in shifting charges during both fiscal years.

STARS: The FY 2006 estimates are based on the same formulae used in the FY 2006 OMB review process.

Questions?

Program offices are invited to ask questions or seek clarification by contacting Howard Borgstrom (6-5923), Bob Emond (6-2354) or Roscoe Harris (6-5527). You may also ask for more information from any of the business line points-of-contact listed in the most recent transmittal of the monthly bill.

Attachments

cc: Working Capital Fund Board

ACTUAL CUSTOMER COSTS FY 2004
(Dollars in Thousands)

ORG CODE	SUPPLY	MAIL	COPYING	PRINTING & GRAPHICS	BUILDING OCCUPANCY	DESKTOP SUPPORT	PHONE SERVICE	NETWORK	PROCUREMENT MANAGEMENT	CHRIS	PAYROLL PROCESS	CORP TRAINING SERVICES	PMCDP	INDIRECT FUND ADMIN.	Subtotal By Office
AB	5	16	6	25	127	2	10	5	0	1	1	0	0	0	197
BCA	1	0	0	6	93	1	3	1	0	1	1	0	0	0	106
BPA	1	13	1	4	99	0	11	15	0	0	0	9	0	0	153
CI	5	31	12	13	485	6	20	33	0	7	7	0	0	0	619
CN	33	24	24	13	864	2	96	15	1	6	6	1	0	0	1,086
DR	4	15	2	5	80	1	5	4	0	1	1	0	0	0	118
EA	7	-2	5	8	264	5	58	20	2	3	2	1	0	0	372
ED	20	49	33	62	389	1	50	35	11	7	7	1	0	0	665
EE	265	227	210	215	3,740	38	434	609	62	102	99	14	15	0	6,031
EH	45	77	115	49	2,933	24	362	329	38	43	42	14	0	0	4,071
EI	199	239	154	396	5,338	4	543	5	272	72	70	23	0	0	7,316
EM	171	53	124	223	4,064	25	497	723	132	317	306	69	935	0	7,639
FE	124	48	65	136	1,845	71	241	417	68	178	172	12	239	0	3,616
GC	56	47	58	88	2,099	10	164	85	1	30	29	10	0	0	2,675
HG	4	26	9	88	637	1	22	16	0	5	5	2	0	0	814
IG	40	42	15	62	1,038	24	80	56	1	48	47	28	0	0	1,481
IM	120	56	37	28	3,398	200	405	284	19	21	20	12	10	0	4,611
IN	45	76	39	12	1,763	0	800	2	0	11	11	2	0	0	2,761
LM	9	20	21	7	306	3	27	65	1	4	4	5	0	0	471
ME	394	598	453	502	10,343	197	1,056	895	97	128	124	324	5	120	15,235
NA	510	233	237	296	10,867	135	1,469	1,079	167	421	408	85	733	0	16,640
NE	58	40	29	54	1,391	14	159	168	65	90	87	5	66	0	2,226
NR	0	1	0	1	0	0	97	0	0	36	34	2	0	0	170
OA	37	17	10	6	489	4	74	48	0	11	10	0	0	0	706
PA	17	49	221	161	377	7	43	23	0	5	5	0	0	0	909
PI	46	43	76	53	1,136	26	140	89	17	20	19	7	0	0	1,672
RW	63	19	28	19	944	5	174	82	1	33	32	2	114	0	1,516
S	22	29	11	83	565	7	77	47	0	6	6	0	0	0	854
SC	228	105	99	301	2,506	9	403	427	24	218	211	17	367	0	4,916
SO	212	168	145	81	4,121	118	646	212	34	44	43	35	0	0	5,859
TD	16	15	4	2	233	3	14	10	0	3	3	0	10	0	312
WAPA	1	13	0	56	105	0	20	128	20	299	290	20	3	0	954
FO	0	0	0	0	0	0	0	0	0	0	0	2	0	0	2
TOTAL															
	2,759	2,389	2,242	3,053	62,639	943	8,201	5,925	1,035	2,170	2,100	700	2,498	120	96,774

PROJECTED CUSTOMER COSTS FY 2005
(\$ IN THOUSANDS)

ORG CODE	SUPPLY	MAIL	COPYING SERVICE	PRINTING & GRAPHICS	BLDG OCCUP	PHONE SERVICE	DESKTOP SUPPORT	NETWORK	PROCURE-MENT MGT	PAYROLL & CHRIS	CORP TRAINING SERV	PROJECT MANAGEMENT CAREER DEVELOPMENT PROGRAM	INDIRECT	TOTAL ALL ACTIVITIES	
AB	5	19	6	48	131	15	1	5	0	2	0	0	0	230	AB
BCA	1	0	0	0	94	3	1	1	0	1	0	0	0	101	BCA
BPA	1	14	1	26	104	11	0	15	0	0	6	0	0	178	BPA
CI	5	44	12	12	471	76	6	34	0	9	2	0	0	670	CI
CN	33	39	23	18	895	102	4	16	2	10	4	0	0	1,147	CN
DR	4	15	0	0	84	0	2	0	0	2	0	0	0	108	DR
EA	7	18	5	7	239	79	0	33	7	6	6	0	0	407	EA
ED	20	109	33	80	399	67	1	36	5	12	1	0	0	763	ED
EE	265	246	220	198	3,907	504	39	624	91	201	9	6	0	6,309	EE
EH	45	61	108	57	3,210	319	14	305	14	81	15	0	0	4,229	EH
EI	199	173	135	439	5,555	532	7	5	387	143	16	0	0	7,591	EIA
EM	171	58	124	94	4,034	530	10	729	99	547	61	374	0	6,830	EM
FE	124	48	72	217	1,928	278	17	419	51	365	10	96	0	3,626	FE
GC	56	42	57	113	2,206	177	11	88	1	61	7	0	0	2,818	GC
HG	4	17	9	82	566	28	3	17	0	10	1	0	0	737	HG
IG	40	45	10	80	1,088	102	32	57	3	102	10	0	0	1,568	IG
IM	120	60	32	19	3,371	437	212	289	19	42	7	4	0	4,611	IM
IN	45	83	39	10	1,702	858	0	2	0	20	2	0	0	2,762	IN
LM	9	64	22	5	334	54	2	61	2	29	0	0	0	580	LM
ME	394	519	453	521	9,849	1,152	228	892	92	239	153	2	120	14,615	ME
NA	510	224	270	144	11,939	1,800	124	1,058	132	808	37	293	0	17,338	NA
NE	58	43	29	35	1,399	159	14	173	43	166	6	26	0	2,153	NE
NR	0	0	0	0	0	96	0	0	0	70	1	0	0	167	NR
OA	37	29	10	5	566	81	4	47	0	18	1	0	0	797	OA
PA	17	51	223	178	396	57	8	24	1	10	1	0	0	966	PA
PI	46	22	79	34	1,209	147	24	90	22	35	6	0	0	1,714	PI
RW	63	27	30	25	1,054	204	5	79	6	69	3	46	0	1,611	RW
S	22	27	11	101	651	137	15	47	0	11	0	0	0	1,022	S
SC	228	95	75	257	2,530	392	7	433	35	447	14	147	0	4,658	SC
SO	212	92	132	158	3,149	736	115	213	23	78	23	0	0	4,930	SO
TD	16	16	30	0	311	11	2	0	0	7	0	4	0	398	TD
WAPA (F	1	14	0	35	110	16	0	128	43	615	3	0	0	965	WAPA
FO	0	0	0			0	0	0	0	0	5	2	0	7	FO
TOTAL	\$ 2,759	\$ 2,314	\$ 2,249	\$ 2,993	\$ 63,481	\$ 9,161	\$ 908	\$ 5,920	\$ 1,078	\$ 4,217	\$ 409	\$ 1,000	\$ 120	\$ 96,609	

PROJECTED CUSTOMER COSTS FY 2006
(\$ IN THOUSANDS)

ORG CODE	SUPPLY	MAIL	COPYING SERVICE	PRINTING & GRAPHICS	BLDG OCCUP	PHONE SERVICE	DESKTOP SUPPORT	NETWORK	PROCURE-MENT MGT	PAYROLL & CHRIS	CORP TRAINING SERV	PROJECT MANAGEMENT CAREER DEVELOPMENT PROGRAM	STARS	INDIRECT	TOTAL ALL ACTIVITIES	
AB	5	19	6	48	132	15	1	5	0	2	0	0	0	0	231	AB
BCA	1	0	0	0	95	3	1	0	0	1	0	0	0	0	101	BCA
BPA	1	14	1	26	104	11	0	15	0	0	27	0	0	0	199	BPA
CI	5	44	12	12	474	76	6	33	2	10	2	0	1	0	676	CI
CN	33	39	24	18	902	102	4	16	1	11	4	0	0	0	1,153	CN
DR	4	15	0	0	84	0	2	4	0	2	0	0	0	0	112	DR
EA	7	18	5	7	240	79	0	15	0	7	6	0	3	0	386	EA
ED	20	54	33	80	402	67	1	35	26	13	1	0	1	0	732	ED
EE	265	266	221	198	3,933	504	39	605	109	211	11	6	186	0	6,552	EE
EH	45	47	109	57	3,234	319	14	323	51	85	26	0	21	0	4,331	EH
EI	199	175	135	439	5,593	532	7	5	73	150	31	0	12	0	7,352	EIA
EM	171	60	126	94	3,421	530	10	723	113	572	106	374	1,070	0	7,370	EM
FE	124	47	73	217	1,961	278	17	419	66	383	25	96	117	0	3,823	FE
GC	56	42	58	113	2,221	177	11	84	3	63	6	0	3	0	2,836	GC
HG	4	17	9	82	570	28	3	17	2	11	1	0	1	0	745	HG
IG	40	45	10	80	1,103	102	32	55	3	107	30	0	6	0	1,613	IG
IM	120	60	32	19	3,502	437	212	280	25	44	11	4	13	0	4,759	IM
IN	45	83	40	10	1,714	858	0	2	2	21	6	0	0	0	2,781	IN
LM	9	20	22	5	337	54	2	63	7	30	1	0	10	0	558	LM
ME	394	538	460	521	10,009	1,152	228	917	137	251	180	2	15	120	14,923	ME
NA	510	225	273	144	12,142	1,800	124	1,070	167	847	70	293	1,306	0	18,970	NA
NE	58	44	30	35	1,465	159	14	170	90	174	6	26	60	0	2,330	NE
NR	0	0	0	0	0	96	0	0	0	73	1	0	0	0	170	NR
OA	37	24	10	5	600	81	4	46	0	19	1	0	4	0	830	OA
PA	17	52	224	178	399	57	8	23	1	10	1	0	1	0	972	PA
PI	46	22	80	34	1,217	147	24	89	35	37	7	0	2	0	1,738	PI
RW	63	20	30	25	1,061	204	5	81	31	72	3	46	100	0	1,741	RW
S	22	25	11	101	655	137	15	47	0	12	0	0	1	0	1,026	S
SC	228	95	75	257	2,657	392	7	430	46	468	25	147	517	0	5,344	SC
SO	212	93	133	158	3,275	736	115	209	15	82	36	0	37	0	5,101	SO
TD	16	16	30	0	313	11	2	12	0	8	0	4	13	0	425	TD
WAPA	1	14	0	35	111	16	0	129	43	645	12	0	0	0	1,005	WAPA
FO	0	0	0	0	0	0	0	0	0	0	5	2	0	0	7	FO
TOTAL	\$2,759	\$2,232	\$2,271	\$2,993	\$63,926	\$9,161	\$908	\$5,920	\$1,048	\$4,416	\$643	\$1,000	\$3,500	\$120	\$100,896	